

Message Text

UNCLASSIFIED

PAGE 01 SEOUL 02665 180933Z

10

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 /018 W
----- 070994

R 180757Z APR 75
FM AMEMBASSY SEOUL
TO USDOC WASHDC
INFO SECSTATE WASHDC 9513
AMEMBASSY SINGAPORE
AMCONSUL HONG KONG

UNCLAS SEOUL 2665

USDOC FOR OVERSEAS PRODUCTS DIVISION

E.O. 11652: N/A

TAGS: ECEM, ETRD, KS

SUBJECT: NAPTHA CRACKER - YOSU PETROCHEMICAL COMPLEX
MAJOR PROJECT

1. REP OF YOSU PETROCHEMICAL CORP RESPONSIBLE FOR NEGOTIATING LOANS TO FINANCE NAPTHA CRACKER FOR SUBJECT PROJECT REPORTED TO EMBOFF THAT QUOTE VERY TOUGH UNQUOTE NEGOTIATIONS WITH MITSUI WERE CONCLUDED MORNING OF APRIL 17.
2. NEGOTIATIONS CALL FOR JAPANESE FINANCING OF DOLS ONE HUNDRED TEN MILLION FOR NAPTHA CRACKER. PACKAGE, WHICH MUST NOW BE APPROVED BY KOREAN AND JAPANESE GOVERNMENT, CALLS FOR FIFTEEN PERCENT DOWN PAYMENT, FIFTEEN PERCENT JAPANESE COMMERCIAL LOAN WITH EXIMBANK GUARANTEE AND SEVENTY PERCENT DIRECT LOAN FROM JAPANESE EXIM-BANK. TERMS ARE EIGHT AND A HALF PERCENT INTEREST, OVER EIGHT YEARS WITH THIRTY-SIX MONTHS GRACE AFTER FINAL APPROVAL OF LOAN.
3. ENGINEERING FIRM FOR SUBJECT PROJECT WILL BE TOYO OF JAPAN.
4. STILL TO BE NEGOTIATED IS DOLS SIXTY MILLION LOAN FROM BRITISH EXPORT CREDIT GUARANTEE DEPARTMENT FOR U.K. PORTION OF PROJECT.

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5. LOANS ARE TO BE MADE TO NEWLY FORMED HONAM ETHANOL COMPANY,

A GOVERNMENT FIRM WHICH WILL OPERATE 350,000 TON CAPACITY
NAPTHA CRACKER.

6. YOSU PETROCHEMICAL CORP OFFICIALS STILL HOPE PROJECT
CONSTRUCTION CAN START LATE SUMMER 75 TO BE COMPLETED IN
THIRTY MONTHS.
SNEIDER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, CHEMICALS, LOANS, INTEREST RATES
Control Number: n/a
Copy: SINGLE
Draft Date: 18 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SEOUL02665
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750136-0408
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750437/aaaabire.tel
Line Count: 68
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUL 2003 by maginmm>; APPROVED <30 JAN 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NAPHTHA CRACKER - YOSU PETROCHEMICAL COMPLEX MAJOR PROJECT
TAGS: ECEM, ETRD, KS, NAPHTHA CRACKER, XMB
To: COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006